

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME**

**AMO FACTORS, HR OUTCOMES AND PERFORMANCE OF
LOCAL EMPLOYEES IN KOREAN MNEs
OPERATING IN MYANMAR**

**KIM, KI TAE
EMBA II-66
EMBA 17TH BATCH**

APRIL, 2022

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ACAEMIC YEAR (2018-2022)

Supervised by

**Dr. Nu Nu Lwin
Professor and Head
Department of Management Studies
Yangon**

Submitted by



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A thesis submitted to the Board of Examiners in partial fulfilment of the requirements for
the degree of Master of Business Administration (MBA)

Supervised by

**Dr. Nu Nu Lwin
Professor and Head
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Yangon**

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**Kim, Ki Tae
EMBA II – 66
EMBA 17th Batch
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APRIL, 2022

ACCEPTANCE

This is to certify that the thesis entitled “**AMO Factors, HR Outcomes and Performance of Local Employees in Korean MNEs Operating In Myanmar**” has been accepted by Examination Board for awarding Master of Business Administration (MBA) degree.

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.....

(Chairperson)

Dr. Tin Tin Htwe

Rector

Yangon University of Economics

.....

(Supervisor)

.....

(Examiner)

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(Examiner)

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(Examiner)

APRIL, 2022

ABSTRACT

This study focus on the Human Resource characteristics and management result of local employees in Korean Multinational Enterprises operating in Myanmar. The research objectives are to identify the influencing factors on HR outcomes and performance of local employees in Korean Multinational Enterprises operating in Myanmar. This study uses two stage simple random sampling method and collects the data from 186 respondents from selected 18 Korean companies in Myanmar. The results of the study indicate that among AMO factors, internal motivation and opportunity influence HR outcomes in terms of employee satisfaction and employee engagement. The opportunity factor mostly influences HR outcomes because local employees are satisfied and engaged when they are provided the opportunity to participate their job rather than other features. The result exhibit that employee engagement influences employee performance, while employee satisfaction does not significantly affect employee performance. According to the results, Korean companies operating in Myanmar should improve the opportunity feature, especially for job training and job rotation, and intrinsic motivation in order to improve employee engagement which mostly impact on performance of employee, and recruit local employee with ability relating to person-job fit and job profession.

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LIST OF ABBREVIATION

AMO	:	Ability-Motivation-Opportunity
COVID-19	:	Coronavirus Disease - 2019
ESG	:	Environmental, Social and Governance
HR	:	Human Resource
HPWS	:	High Performance Work System
HRM	:	Human Resource Management
IHRM	:	International Human Resource Management
MMK	:	Myanmar Kyat
MNEs	:	Multi National Enterprises
NGO	:	Non-Government Organization
OJT	:	On Job Training
RBV	:	Resource Based View

CHAPTER 1

INTRODUCTION

HRM (Human Resource Management) is concerned with recruitment, selection, learning and development, reward, communication and employee involvement, teamwork and performance management, and HRM centers on the management of work and the management of people who undertake this work. (Cai, 2020)

In order to achieve outstanding performance by organization, it is one of key interest how organization can build High Performance Work System (HPWS) and AMO model provides guidance on the HRM practices that should be included in high-performance work system (HPWS) with Ability, Motivation and Opportunity factor. HRM practices that combine as high performance work system (HPWS) can be viewed as ability-enhancing or skill-enhancing, motivation-enhancing and opportunity-enhancing.

The Republic of the Union of Myanmar has accelerated the political and economic reform since 2010s. A general election based on the new constitution was held in November, 2010 and the General Assembly was convened in March, 2011, electing Thein Sein as president, a post created by the new Constitution.

Along with the improvements in political process since 2010s, Myanmar government has tried to significantly improve her economic system in several field, such as change of exchange rate system, unifying the multiple rate system into a near-market rate, in April, 2013, enacting central bank law to establish its independence in August, 2013, and enacting new Myanmar investment laws for an expected increase in FDI in 2016 etc. (Knosuke, 2016).

As a result of Myanmar government's reforms to open market economic since 2011, Myanmar has achieved the average annual growth rate of GDP with 6.98% and the accumulated FDI in amount USD 23.97 Billion from 2011 to 2019, prior to the COVID-19 pandemic significantly impacted her economic growth since 2020. (World Bank, 2021).

Multi National Enterprises (MNEs) from several countries has entered into Myanmar since 2011 considering Myanmar's potential economic growth as emerging country based on her socioeconomic factors such geopolitical location in ASEAN, population more than 54 million, rich reserves of natural resources, and future demand increase on infrastructure and consumer goods by future economic growth.

The Republic of Korea is one of major investment partner country in Myanmar as

the fifth place in accumulated FDI with the amount of USD 4.12 billion, following Singapore, China, Thailand, Hong Kong and United Kingdom (DICA, 2022), and more than 180 enterprises are operating their business in Myanmar according DICA database of registered foreign companies in 2020.

In previous time, most of Korean MNEs invested in Myanmar in order to achieve the advantage of low cost labor for manufacturing sector, but in recent Korean MNEs are expanding their business strategy in Myanmar for future growth and expansion of Myanmar domestic market. Furthermore, due to several reasons, such as similarities on historical experience for democratic process and cultural background between Myanmar and Korea, there are increase of Myanmar people's interest that leads to the increase of number of employees who is willing to work at Korean enterprises operating in Myanmar.

To be able to achieve sustainable performance of local employees in Korean MNEs operating in Myanmar, in terms of a holistic understanding of Ability, Motivation and Opportunity (AMO), it is important to analyze how local employees have achieved HR outcomes including their satisfaction and performance, and how it impacts local employee's performance in Korean MNEs operating in Myanmar as a result of International Human Resource Management (IHRM).

1.1 Rationale of the Study

Human resource management (HRM) is a management function that covers the processes of selecting, training, appraising and compensating employees, with respect to regulations in areas including health and safety, labor relations and equal employment opportunity (Zheng, 2013). Employees are one of the most valuable assets for an organization and might, with competent management, result in sustained competitive advantage (Boselie, 2002) and organizations such as MNE, across the globe that consider their human resources as a central core of their business, continuously increase the level of their employee's motivation and performance tend to be more effectiveness (Anka, 1988; Rothberg, 2005).

In recent, MNEs are focusing to expand their business in emerging market, including Myanmar, and the number of emerging market multinationals has risen. A major topic of discussion in the international business literature has been whether these investments and business activities by MNEs in emerging market represent a new phenomenon that requires new theories, or whether they can be explained within the

existing theoretical frameworks that have been used to explain their affluent country cousins, the established MNEs (Hennart, 2012).

There are numerous studies on HRM of MNEs (DeVoe & Lyengar, 2004; Walsh, 2001; Yan, 2003). However, most of the studies focus on general management for cross-board organization, home country national employee and expatriate. There are limited number of empirical studies on host country employee's ability, motivation and opportunity relating to their performance and engagement in Korean MNEs operating in Myanmar.

The Ability-Motivation-Opportunity model (AMO model) has been used in recent decades as a framework to guide firms in their choice of HR practices (Bos-Nehles, Riemsdijk & Looise, 2013). Indeed, several studies have suggested that HR practices could be classified according to three categories, leading to three HR bundles (i.e. a combination of HR practices): skill-enhancing, motivation-enhancing and opportunity-enhancing (Bailey, 1993; Appelbaum, Berg, Bailey & Kalleberg, 2000).

In order to successful operation of Korean MNEs in Myanmar with local employees, it is important to understand which factors drive local employee, who is operational and line management level, to achieve the employee's HR outcomes and how it impacts performance of local employee working at Korean MNEs in Myanmar, and this study will provide the guidance for local employees to select their job opportunities, maintain job retention and achieve the job satisfaction and performance in Korean MNEs operating in Myanmar and the guidance for Korean MNEs operating in Myanmar to recruit, manage and retain local employee with high level of job performance.

According to the nature of MNE's operation in Myanmar, local employee should be one of key success factor as they should contact directly local stakeholders, collect the business information, manage the operation and communicate with home country employees and expatriate. On this basis, this research aims to study how AMO factors impact local employee's HR outcomes and performance in Korean MNEs operating in Myanmar.

1.2 Objectives of the Study

The objectives of the study are as follows.

- 1) To examine the effect of AMO Factors (Ability – Motivation – Opportunity) on HR outcomes in Korean MNEs operating in Myanmar.
- 2) To examine the effect of HR outcomes on performance of local employees in

Korean MNEs operating in Myanmar.

1.3 Scope and Method of the Study

The study investigated the effect of AMO factor on HR outcomes, such as employee's satisfaction and engagement, and performance of local employee working at Korean MNEs operating in Myanmar. To identify effect of AMO on HR outcomes and performance of Korean MNEs in Myanmar, the study applied quantitative method including descriptive analysis inferential research method. The sample size is determined as 186 respondents by using Yamane's formula (90% confidence level). The study applies two-stage random sampling method. In the first stage, 18 Korean MNEs are selected from 30 members registered in Korea-Myanmar Business Research Society leading by KOTRA. In the second stage, 186 respondents are selected among 473 employees working at the operational and line management level at selected Korean MNEs. In this study, both primary and secondary data are used. The primary data are collected from 186 respondents by using structured survey questionnaires designed with 6-point Likert scale from strongly disagree with 1-point to strongly agree with 6-point. Secondary data are collected from literature review, including text books publications, thesis papers, research papers, reports, journals and internet websites. The study period is from August, 2021 to February, 2022.

1.4 Organization of the Study

This paper organized into five chapters. Chapter one is introductory which involves rationale of the study, objective of the study, methodology and scope of the study and organization of the study. The theoretical background on relationship among Ability-Motivation-Opportunity, HR outcomes and employee performance of this study is presented in Chapter Two. Chapter Three describes the background information and HRM practices of Korean MNEs operating in Myanmar. Chapter Four discusses the effect of AMO factors on HR outcomes and performance of local employee working at Korean MNEs in Myanmar. At last, Chapter Five includes the conclusion with the researcher's findings and discussions, suggestions and recommendations and needs for further research.

CHAPTER 2

THEORETICAL BACKGROUND

This chapter focuses on the theoretical concepts related human resource management (HRM), AMO model, HR outcomes, and employee performance and the review on previous studies that explained relationship between AMO factors, HR outcomes and employee performance. It also explains about the conceptual framework of the study.

2.1 Relationship between HRM and Performance

Human resource management (HRM) is defined as the design of employment systems that include a set of policies intended to maximize employee performance and commitment in order to meet the organization goals (Algaraja, 2012; Guest, 1997). HRM is concerned with recruitment, selection, learning and development, reward, communication and employee involvement, teamwork and performance management, and HRM centers on the management of work and the management of people who undertake this work.

Since the early 1990s, there have been many studies investigating the links between HRM and organizational performance. These have mainly focused on the extent to which high-commitment practices led to improvements in employee outcomes and organizational performance (Marchington, Wilkinson, Donnelly & Kynighou, 2016). The view that HRM improves the performance of organizations is widespread, yet which aspects of performance are important and how they might be measured are not clearly defined. HRM may contribute to sustaining competitive advantage, but this does not necessarily have to rely on high-commitment HRM.

The relationship between HRM practices and performance can be found in two areas: resource-based view (RBV) and AMO model (Boselie, Dietz, & Boon, 2005; Appelbaum, Bailey, Berg, & Kalleberg, 2000).

First, the RBV perspective argues that organizations can build competitive advantage based on valuable, rare, inimitable, and non-substitutable resources. Building upon this RBV paradigm, Boxall (1996) proposed that human resource advantage consist of human capital advantage (a stock of exceptional human talent) and human process advantage (a function of difficult to imitate, historically evolved processes within the organization, such as cooperation). Although the RBV logic provides a theoretical rationale

for how HR practices positively affect organizational performance through building a better human capital pool and stimulating better processes, research that directly tests the RBV's core concepts remains scarce (Snell, Dunford, & Wright, 2001; Becker and Huselid, 1998). Related to the human processes within organizations, Gitell, Seidner, and Wimbush (2010) have shown that HR practices can improve organizational performance by strengthening relationships and coordination between employees.

The second basic framework frequently used to relationship between HRM and performance is the AMO model. This model argues that bundles of HR practices positively influence organization performance by enhancing employee skills, competencies, and abilities (A), by stimulating employee motivation and commitment (M), and by providing skilled and motivated employees with the opportunity to perform (O). All three HRM bundles are positively associated with performance outcomes.

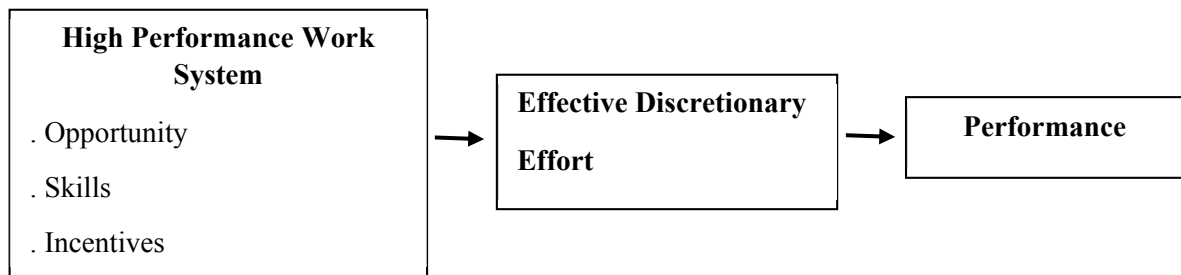
There are two advantages to adopting the AMO model as the guiding theoretical framework for our study. First, it includes the "Opportunity" component in the framework, which has been largely neglected in previous empirical studies (Jiang, Lepak, Hu, & Baer, 2012), despite its relevance in determining employee performance at work (Blumberg and Pringle, 1982). Second, the AMO model provides a broad picture of the intermediate variables between HRM and employee performance, such as age, gender, education level, job experience, nationality, etc.

2.2 AMO model

The AMO model was initially proposed by Bailey (1993), who suggested that ensuring the employee's discretionary effort needed three components: employees had to have the necessary skills, they needed appropriate motivation and employers had to offer them the opportunity to participate (Appelbaum et al., 2000). AMO model suggests that performance is a function of ability (training and selection), motivation (incentives and feedback), and opportunity (environment). These three factors affect employee performance.

Based on this model and drawing on the concept of high performance work systems (HPWS), the model was later developed by Appelbaum et al., (2000), and its acronym stands for the three elements that enhance together employee performance: individual ability (A), motivation (M), and the opportunity to participate (O) (Boselie, 2010).

Figure (2.1) Conceptual Model of Appelbaum, Bailey, Berg and Kalleberg



Source: Appelbaum et al, 2000

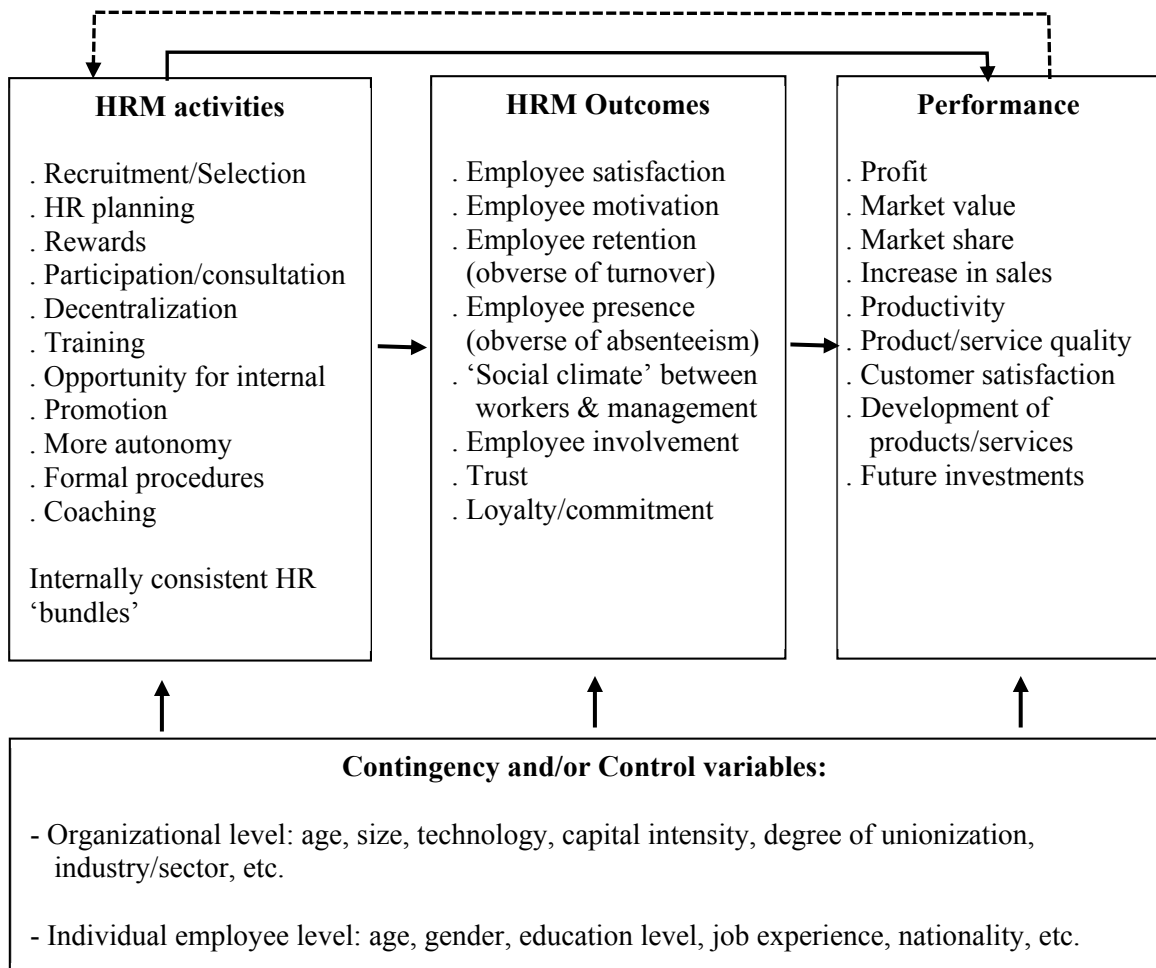
According to AMO model, people perform well when they have the capabilities, they have the adequate motivation, and their work environment provides opportunities to participate (Boselie, 2010). According to the AMO model, employees perform well when:

- They are able to do so (they can do the job because they possess the necessary knowledge and skills);
- They have the motivation to do so (they will do the job because they want to and are adequately incentivized);
- Their work environment provides the necessary support and avenues for expression (for example, functioning technology and the opportunity to be heard when problems occur).

Ability practices include selective recruitment and selection (getting the right people) and training and development (development of skills, knowledge and abilities). **Motivation** practices include performance appraisal (evaluation and feedback), performance-related pay, coaching and mentoring, employment security, internal promotion opportunities, fair pay and employee benefits. **Opportunity** practices include autonomy, employee involvement, job rotation, job enlargement, job enrichment, self-directed teamwork, communication and decentralization of decision-making (Boselie, 2013).

AMO model is comprised of basic concepts of psychology (Kroon, Van De Voorde, & Timmers, 2013), which are related to three systems that shape individual characteristics: ensuring that employees have the appropriate abilities, motivating employees to enhance discretionary behavior, and empowering them toward organizational outcomes (Harney & Jordan, 2008).

Figure (2.2) HRM Activities in Relation to HRM Outcomes and Performance



Source: Paauwe & Richardson (1997).

2.2.1 Ability Factor

Ability refers to the employees' abilities to carry out their job. At the individual level, ability can be defined as the knowledge, skills and abilities (KSA) of the individual employee. Knowledge, Skills, and Abilities are a set of specific qualifications and personal characteristics that are required for a specific job.

Ability-enhancing practices in AMO model described as human characteristics that are appropriate for those task accomplishment (Boon, Belschak, Hartog, & Pijnenburg, 2014 ; Minbaeva, 2013). There are three elements of ability including recruitment and selection, training and development and performance evaluation (MarinGarcia & Thomas, 2016).

Recruitment and selection

Recruitment and selection refer to the procedures of attracting intended new or existing employees and motivating them to take up the available job vacancy in the organization (Kumari, & Malhotra, 2012) while selection is choosing an ideal specification of level, experience, personality and the important characteristics needed to fill the job vacancy.

Training

Training is a process of learning that requires capability enhancing, knowledge acquisition, policies, concepts or attitudes and behavioral shifting in order to increase organizational performance.

Development

Development entails the organizational events that assist the employees to obtain up to date skills and understanding that are important for their career development

2.2.2 Motivation Factor

Motivation involves a range of employee attitudes that represent employees' willingness to perform well at work. There are two classifications of motivation namely intrinsic motivation and extrinsic motivation. Intrinsic motivation describes the undertaking of an activity for its inherent satisfaction while extrinsic motivation describes behavior driven by external rewards or punishments, abstract or concrete. Intrinsic motivation comes from within the individual, while extrinsic motivation comes from outside the individual.

Intrinsic Motivation

Intrinsic motivation is the most powerful factor to enhance the performance and attitudes of employees with inherently rewarding and originates from attentiveness and usefulness.

- Employees are motivated to do the activity because it is internally rewarding. Employees choose to do it because it's fun, enjoyable, and satisfying.
- Employee's goal comes from within, and the outcomes of employee's goal satisfy their basic psychological needs for autonomy, competence and relatedness.

Extrinsic Motivation

Extrinsic motivation is a factor to fulfill task completion or work performance in order to get physical rewards or to stay away from an aversive stimulus.

- Employees are motivated to do the activity in order to gain an external reward in return.
- Employee's goal is focused on an outcome, and does not satisfy their basic psychological needs. Rather, it involves external gains, such as money, fame, power, and avoiding consequences.

Motivation practices include performance appraisal (evaluation and feedback), performance related pay, coaching and mentoring, employment security, internal promotion opportunities, fair pay and employee benefits. Motivation-enhancing practices have been described as the employee's intensity, related to want and choose in regard work engagement in definite specified attributes.

2.2.3 Opportunity Factor

Opportunity reflects the means through which employees' abilities and efforts can be converted to outcomes. Opportunity include autonomy, employee involvement, job rotation, job enlargement, job enrichment, self-directed teamwork, communication and decentralization of decision making.

Opportunity-enhancing practices have been described as a bundle of conditions that allow the employees to participate in several facets, such as knowledge sharing, job richness and involvement in the decision-making process (Schimansky, 2014). Knowledge sharing, autonomy, job design and employee involvement are the elements of opportunity (Marin-Garcia et al., 2016).

Knowledge Sharing

Knowledge sharing is about offering adequate information with regard to paramount problems or cases in the organization, as well as to enhancing communication at all level managements, regardless the authority level (Marin-Garcia, & Thomas, 2016).

Autonomy

Autonomy refers to allowing the authority of the employees and procedures decision-making by a decentralized approach in the organization as well as implementing regular and irregular flexibility.

Job Design

Job design decides how employees complete their duties and it is continuously being practiced by them on a daily basis and employee involvement acknowledges the employees' development, the ease of decision making, the power sharing between the workforce and management and the inducements the latter gives for input (Phipps et al., 2013).

2.3 HR Outcomes

According to the model, HRM outcomes can be measured with employee satisfaction, employee motivation, employee involvement, employee engagement and employee retention among others.

2.3.1 Employee Satisfaction

Even though there is no universal definition of employee satisfaction that covers all dimensions of the construct, most definitions emphasize employee satisfaction as the degree to which people enjoy doing their job.

Employee satisfaction is one's personal attitude towards one's job and has been described as the set of positive desires or positive feelings that people have toward their jobs and employment by their organization (Tepayakul, & Rinthaisong, 2018).

The components which should be considered as important determinants of employee satisfaction can be grouped together under the heading of intrinsic and extrinsic satisfaction (Buitendach & Rothmann, 2009).

Herzberg (1987) developed a motivational theory, in which the constructs affecting a employee satisfaction are categorized into two domains: motivators (intrinsic factors) and hygiene (extrinsic factors).

Intrinsic employee satisfaction includes achievement, recognition, responsibility, advancement, growth, and the work itself. Extrinsic employee satisfaction includes supervision, work conditions, co-workers, pay, policies, job security, status and the worker's personal life. Broadly, intrinsic job satisfaction is how people feel about the nature of their job tasks while extrinsic job satisfaction is how people feel about aspects of their work situation. Thus, executives should work to develop strategies to enhance the level of both the intrinsic and extrinsic job satisfaction of employees.

Employee satisfaction is essential and is a fundamental determinant of growth, service, and quality within an organization (Lee, 2017). Findings reported in the literature confirm that satisfied employee perform better and contribute to the total success of an organization. On the other hand, unsatisfied employee do not perform well and become a barrier to success (Shmailan, 2015). Further, differences exist between job satisfaction based on the age and racial groups of employees and that there are, moreover, differences between the levels of extrinsic and intrinsic job satisfaction based on differences in age and among different racial groups.

2.3.2 Employee Engagement

Employee engagement is defined as a cognitive quality, a commitment emotion or a positive behavioral state directed toward organizational outcomes, and the actions that employees take to ensure the organization's success.

Wellins, Bernthal, and Phelps (2005) described employee engagement drivers as including, having the right employees in the right jobs, exceptional leadership and organizational systems and strategies. These drivers can lead to an engaging work environment consisting of, aligning effort with strategy, empowerment, teamwork and collaboration, growth and development, and support and recognition.

An engaging work environment lead the employees' motivation to try harder and put in extra effort for the benefit of the organization. Moreover, Robinson, Perryman, and Hayday (2004) described the characteristics of engaged employee's behavior as, including:

- looking for, and being given, opportunities to improve organizational performance;
- being positive about the job and the organization;
- believing in the organization;
- working actively to make things better;
- treating others with respect;
- helping colleagues to perform more effectively;
- being able to be relied upon;
- going beyond the requirements of the job;
- seeing the bigger picture, even at personal cost;
- identifying with the organization, and
- keeping up-to-date with developments in their field.

Employee engagement is used as an attitude as well as behavior. Engaged employees are highly motivated and devoted for the growth of the organization. Employee

Engagement is a workplace approach designed to ensure that employees are committed to their organization's values and goals, motivated to contribute to organizational success.

2.4 Employee Performance

Employee performance relates to the act of doing a job. Employee performance is a means to reach a goal or set of goals within a job, role, or organization (Campbell, 1990), and it is defined as the total expected value to the organization of the discrete behavioral episodes that an individual carries out over a standard period of time. (Motowidlo & Kell, 2013)

Researchers agree that performance has to be considered as a multi-dimensional concept. On the most basic level one can distinguish between a process aspect (i.e., behavioral) and an outcome aspect of performance (Borman & Motowidlo, 1993; Campbell, McCloy, Oppler, and Sager, 1993; Roe, 1999).

The behavioral aspect refers to what people do while at work, the action itself (Campbell, 1990). Performance encompasses specific behavior (e.g., sales conversations with customers, teaching subject to undergraduate students, programming computer software, assembling parts of a product etc.). This conceptualization implies that only actions that can be scaled (i.e., counted) are regarded as performance (Campbell et al., 1993).

The outcome aspect in turn refers to the result of the individual's behavior. The actions described above might result in contracts or selling numbers, students' knowledge in subject, a software product, or numbers of products assembled. Empirically, the behavioral and outcome aspect are related.

Moreover, performance must be distinguished from effectiveness and from productivity or efficiency (Campbell et al., 1993; Pritchard, Mueller, Rogers, Kremer & Glaser, 1992). Effectiveness refers to the evaluations of the results of performance (i.e., financial value of sales). In comparison, productivity is the ratio of effectiveness to the cost of attaining the outcome. For example, the ratio of hours of work (input) in relation to products assembled (outcome) describes productivity.

Performance should be seen as a multidimensional construct with the dimensions being multidimensional themselves. There are three types of employee performance: Task Performance, Conceptual Performance and Adaptive Performance.

2.4.1 Task Performance

Task performance covers a person's contribution to organizational performance, refers to actions that are part of the formal reward system (i.e., technical core), and addresses the requirements as specified in job descriptions (Williams and Karau, 1991).

At a general level, task performance consists of activities that transform materials into the goods and services produced by the organization or to allow for efficient functioning of the organization (Motowidlo, Borman & Schmit, 1997). Thus, task performance covers the fulfillment of the requirements that are part of the contract between the employer and employee.

Moreover, task performance in itself can be described as a multi-dimensional construct. Campbell (1990) proposed a hierarchical model of eight performance factors. Among these eight factors, five refer to task performance:

- job-specific task proficiency;
- non-job-specific task proficiency;
- written and oral communication proficiency;
- supervision, in case of leadership position; and partly
- management/administration.

2.4.2 Contextual Performance

Often it is not sufficient to comply with the formal job requirements, one needs to go beyond what is formally required (Parker, Williams & Turner, 2006; Sonnentag & Frese, 2002). Contextual performance consists of behavior that does not directly contribute to organizational performance but supports the organizational, social and psychological environment. Contextual performance is different from task performance as it includes activities that are not formally part of the job description. It indirectly contributes to an organization's performance by facilitating task performance.

Borman and Motowidlo (1993) describes five categories of contextual performance:

- volunteering for activities beyond a person's formal job requirements;
- persistence of enthusiasm and application when needed to complete important task requirements;
- assistance to others;
- following rules and prescribed procedures even when it is inconvenient; and

- openly defending organization objectives.

Examples of contextual performance are demonstrating extra effort, following organizational rules and policies, helping and cooperating with others, or alerting colleagues about work-related problems (Borman & Motowidlo, 1993; Motowidlo, Boman, & Schmit, 1997).

2.4.3 Adaptability Performance

Adaptability performance is an employee's ability to adapt to rapidly changing work situations, and it includes solving problems creatively, dealing with uncertainty, learning new tasks, demonstrating interpersonal adaptability, and handling crises. Therefore, individuals who excel in adaptive performance have a more positive attitude in their work and have a better ability to handle stress as well.

Hesketh and Neal (1999) referred to adaptive performance, Murphy and Jackson (1999) discussed role flexibility, and London and Mone (1999) wrote about the proficiency of integrating new learning experiences. As a result of extensive literature review and factor analyses, Pulakos et al. (2000) presented an eight taxonomy of adaptive performance:

- handling emergencies or crisis situations;
- handling work stress;
- solving problems creatively;
- dealing with uncertain and unpredictable work situations;
- learning work tasks, technologies and procedures;
- demonstrating interpersonal adaptability;
- demonstrating cultural adaptability; and
- demonstrating physically oriented adaptability.

2.5 Previous Studies

There are many studies to investigate the features which drives HR outcomes and performance in order to build high performance work systems (HPWS) using AMO model.

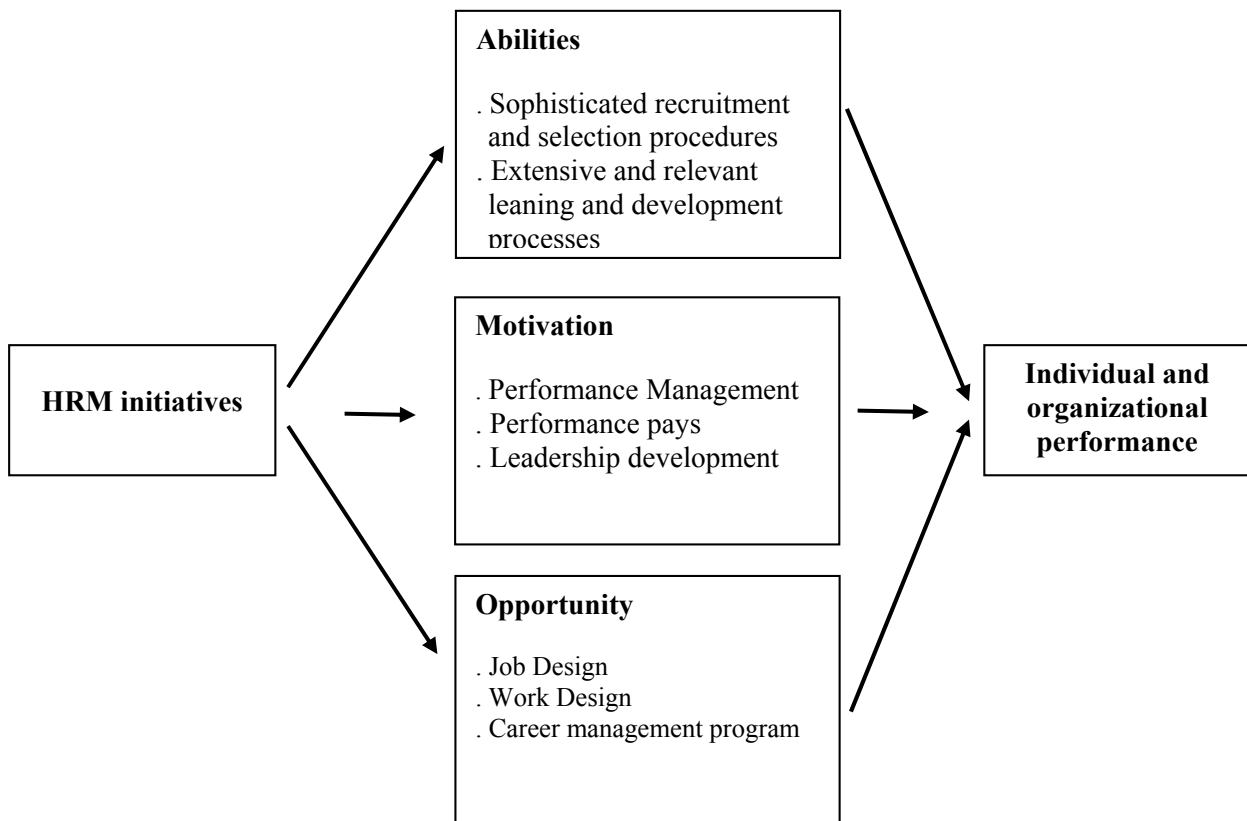
Boxall and Purcell (2016) formulated it as $P = f(A, M, O)$ and explained individual performance. They also noted that someone's ability, motivation and opportunity to perform would depend on two groups of factors (1) the individual's experience, intelligence, health, personality, etc. and (2) the situational factors of HR policies and practices

orientated to creating AMO and related variables in the production system and the organizational context.

Kim (2015) conducted an investigation in the Korean firm context, considering cross-cultural competences as Abilities, collaborative climate as Motivation, and firm level of internationalization as Opportunity. This study randomly selected 467 organization out of 1899 organization employing over 100 workers. They tested three different AMO models - the **additive AMO model** (where performance $P = f(A + M + O)$ and assumes that each variable contributes independently to performance), the **interactive AMO model** (where performance $P = f(A \times M \times O)$ and assumes that each variable contributes to performance in a complementary), and the **combination AMO model** (where performance $P = f\{A \times (1 + M + O)\}$ and assumes that ability is prerequisite for performance). This study conclude that companies perform better, and employees are more willing to share their expertise when they grant a highly supportive climate, and also provide adequate internationalization levels to their staff to develop their professional skills. On the contrary, high global competence employees may become frustrated in environments that do not provide enough internationalization opportunities, leading to poor firm performance.

AMO model is also adapted for analyzing HR outcomes, absorptive capacity, for MNE. Yildiz, Murtic, Zander, & Richtner (2008) conducted the relationship between AMO and absorptive capacity in MNE using openness to new experience as control variables. Absorptive capacity has been at the forefront of the organizational learning and knowledge management literatures, and this study considers absorptive capacity as one of HR outcomes and importance for MNE. Due to its ability to explain firms' heterogeneous degree of learning from their environment, absorptive capacity is a key source of competitive advantage. This is particularly the case for MNEs, as they have operations in multiple business environments and have the opportunity to tap into various external sources of knowledge. The study collected data setting for a large European multiunit manufacturing MNEs with annual sales of €1.1bn and over 2400 full-time employees, and it found out that individuals' intrinsic and extrinsic motivation do not have the same effect on their absorptive capacity. Furthermore, it also found out that assignments to distant countries and exposure to diverse environmental stimuli is conducive to the development of absorptive capacity only when individuals are open to new experiences.

Figure (2.3) Conceptual Model of Armstrong and Brown



Source: Armstrong & Brown (2019)

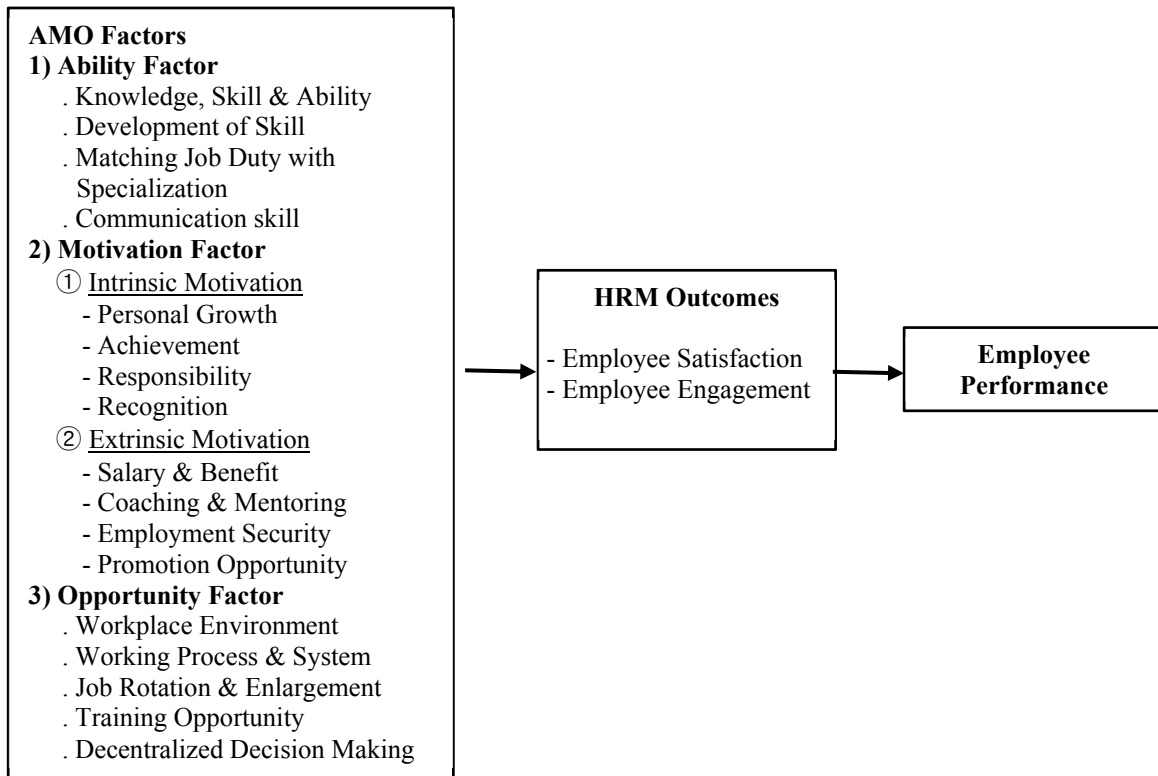
As shown in Figure (2.3), AMO model can provide a framework for performance enhancing practices. The study found that it is the appropriate combination of different HRM practices rather than individual practices that can ensure the enhancement of all three components of the AMO model and ultimately lead to high employee or workforce performance (Amstrong & Brown, 2019).

AMO model is widely used to explain HR outcomes and performance of organization or employee with several derivative model and control variables of organizational and individual level.

2.6 Conceptual Framework of the Study

The conceptual framework of the study is developed based on AMO model. It is designed to analyze the influence of ability, motivation and opportunity towards HR outcomes and performance of employee in Korean MNE operating in Myanmar (Figure (2.4)).

Figure (2.4) Conceptual Framework of the Study



Source: Own compilation based on previous studies (2022)

In the model, the dependent variables, employee’s job satisfaction, engagement and performance, relies on the features of Ability-Motivation-Opportunity which are the independent variables in the research study. In this study, the ability of employees are measured with the variables such as knowledge, skill and ability, development of skills, matching educational specialization and job duty, and communication skill. Employee motivation is measured with two variables: intrinsic motivation and extrinsic motivation. Intrinsic motivation factors include personal growth, achievement, responsibility, and recognition whereas extrinsic motivation factors consist of salary and benefit, coaching and mentoring, employment security, and promotion opportunity. Opportunity factors are identified with workplace environment, work process and system, job rotation and enlargement, training opportunity, and decentralized decision making.

HR outcomes are measured with employee satisfaction and employee engagement. Finally, task performance, contextual performance, and adaptive performance are used as the measures of employee performance of local employees working in Korean MNEs.

CHAPTER 3

PROFILE AND HRM PRACTICES OF KOREAN MNES IN MYANMAR

This chapter is structured to focus on the background of Korean MNEs operating in Myanmar. Besides, demographic factors of respondents are presented in this chapter, describing HR characteristics and management result of local employees in Korean companies operating in Myanmar.

3.1 Background of Korean MNEs in Myanmar

Myanmar and Korea have long and historical friendship and close economic cooperation. Since 1975, diplomatic relations between the Republic of Korea and the Union of Myanmar was established. This relationship paved the way for bilateral trade and cultural ties, and Economic Cooperation between Myanmar and the Republic of Korea took place since 1982. Even though diplomatic relations and Economic Cooperation was made between Myanmar and Korea since 1975, most of Korean companies did not actively promote business in Myanmar before economic reform of Myanmar since 2011.

In 1980s, small and medium size of textile companies focused on starting business in Myanmar by establishing garment and textile manufacturing facility considering the advantage of low labor cost and the increase of labor dispute in Korea, but most of Korean MNEs did not focus on proceeding the business in Myanmar before 2010s.

3.1.1 Korean MNEs in Myanmar before 2010s

POSCO International Corporation, previous name of Daewoo Corporation, is one of Korean MNE who started business in Myanmar at the early stage and aggressively expanded the investment and business in emerging country from 1980s. Myanmar was one of the strategic market for POSCO International Corporation when most of Korean MNEs were not interested to expand business in Myanmar before 2010s. POSCO International Corporations started the business for supplying coach to Myanmar government from 1980s, and established Myanmar branch office in 1989. After establishing branch office in Myanmar, they also invested manufacturing sector such as garment factory in 1991, plywood manufacturing in 1992, and distribution of automobile and heavy machinery

sector, such as car sales entity in 1995 and heavy machinery lease entity in 1997.

From 2000s, POSCO International Corporation changed their country strategy in Myanmar and they focused on investment on energy and infrastructure sector which require huge amount of capital expenditure. In 2000, POSCO achieve the development right for Shwe gas field in Rakhine state from Myanmar government and now produce natural gas from Shwe gas field since 2013. In construction and tourism sector, POSCO International constructed Lotte hotel Yangon with POSC Engineering and Construction, POSCO group companies, and started the commercial operation as major shareholder with local partner, IGE Group, since 2017.

POSCO is also one of Korean MNE who started the investment and business in Myanmar in steel product sector at the early stage. POSCO is one of world reputable steel manufacturer as Korean MNE and they invested joint venture for steel manufacturing factory in Myanmar with MEHL in 1997 and started to produce color coated steel sheet from 1998 with annual 30,000-ton capacity in Yangon region.

In trading and service sector, some Korean MNEs, such as Hyundai Corporation, Hyosung Corporation, Kolon Corporation, LG Corporation, established their branch office in Myanmar to catch the business opportunity before 2011s even though Myanmar economic system was not enough to easily proceed the international trading.

3.1.2 Korean MNEs in Myanmar after 2010s

From 2011, Myanmar started economic reforms in order to attract foreign investment, and Korean MNEs also started to engage the future potential of economic growth of Myanmar in several industry sector as last remaining emerging country in ASEAN.

In energy and infrastructure sector, POSCO International Corporation continue to develop new gas field in Rakine state based on their previous success experience of Shwe gas field in Myanmar. In addition to Explore & Production(E&P) sector, the interest in electricity sector in Myanmar increased among Korean MNEs. Korea Western Power Co.,Ltd, one of subsidiary of KEPCO as major Korean government utility company, awarded the concession right of Thilawa 500MW combined cycle power project with Huyundai Engineering & Construction and BKK as consortium in 2012 from Ministry of Electricity and Energy, government entity of Myanmar, and started to develop the project. In later, due to insufficient investment environment for electricity sector in Myanmar, this

project was not proceeded but it was one of cornerstone to draw attention to Myanmar as emerging market by Korean MNEs after 2011. Considering inefficient electricity infrastructure and business opportunity in Myanmar, Korean MNEs tried to develop electricity and power sector with Myanmar government since 2011 but most of electricity and power project with investment by Korean MNEs was not well developed due to difficulties of international financing and strict regulation in Myanmar.

In 2019, SK Energy, one of Korean major refinery company, invest in Myanmar oil trading market. SK Energy achieve 35% of equity from Myanmar local company, Best Oil Company, for business opportunity with potential demand growth in Myanmar oil trading based on increase of personal automobile and industry diesel demand. Before SK Energy investment with buying the equity of local companies, most of Korean MNEs in energy sector consider to develop business in Myanmar in greenfield business, developing business from the initial stage of business, but SK Energy tried to develop business in brownfield, involving business at middle stage of business, with local company.

Korean MNEs also develop infrastructure business in Myanmar with organizing official development loan (ODA Loan) from Korean government to Myanmar government, such as Economic Development Cooperation Loan with favorable terms and condition of loan from Korean government. By EDCF loan support, GS Engineering & Construction awarded EDCF Dala bridge construction project and Doosan Engineering & Construction awarded EDCF 500kV transmission line project and they started the construction business in Myanmar. Furthermore, L&H (Land and Housing) company, one of major government owned companies for developing infrastructure, invest and develop Korea-Myanmar industrial complex with Korean government supported loan and the construction started since 2020. In 2022, around 45 Korean MNEs for construction sector operate business in Myanmar, including Hyundai Engineering & Construction, POSCO Engineering & Construction, GS Engineering and Construction, Doosan Engineering & Construction, Kyungdong engineering, Seah STX Entech, Kyeryong Engineering & Construction etc.

In manufacturing sector, since 2011, Korean MNEs actively started to invest the manufacturing facility in several area. Considering future demand of construction material in Myanmar with economic growth, Yojin Construction & Engineering invested the cement factory with annual 1 million ton of cement capacity in Thilawa SEZ and commercial operation started since 2018. LS cable also invested and operated manufacturing facility for low voltage electrical cable in Thilawa SEZ since 2018.

Manufacturing sector investment by Korean MNEs started in not only business to business (B2B) area but also business to customer (B2C) area. LVMC Holdings is the overseas manufacturing partner with Hyundai Motor Company and they invest and operate Hyundai automobile assembly factory with the production capacity of annual 10,000 unit, as name of Shwe Daehan, for Hyundai branded car in Myanmar since 2019 and sell it for Myanmar domestic market. CJ Cheil Jedang invest and operate manufacturing facility for cooking oil, as name of CJ Foods Myanmar, with the production capacity of annual 20,000 ton in Thilawa SEZ since 2016 as well.

Samsung Electronics and LG Electronics are also reputable Korean MNEs in manufacturing sector who produce electrical device and home appliance, but both of them focus on the distribution and retail business rather than manufacturing facility by direct investment in Myanmar. Samsung Electronics and LG Electronics started their business in Myanmar since 2013 and 2014 respectively, but they intensively drive their business from 2016 with investment in retail service, such as establishing premium service center in Yangon.

More than 100 Korean garment and textile companies still carry out business in Myanmar, but most of them operate small and medium size of business. Manufacturing sector investment by Korean companies in Myanmar has driven by Korean MNEs rather than Korean garment and textile companies since 2011.

In banking and financing sector, Myanmar open business license to foreign financial institutes since 2014 and many Korean banking companies rushed into Myanmar for dominating financial sector. From 2016, Shinhan Bank achieved the business license for banking firstly, and started the retail banking service in Myanmar. After that, additional 3 Korean bank, KB Kookmin bank, Industrial Bank of Korea (IBK) and Korean Development Bank (KDB), achieve the business license for banking service in Myanmar in 2021 and provide the banking service. There are other Korean MNEs in banking and financing sector who operate branch office for developing new business opportunity without banking business license such as Woori Bank, NH (Nong Hyup), Busan Bank and Korea EXIM (Export and Import) Bank.

Considering the future growth and relatively easy to get business license than banking service, Korean financial institute operate business in micro financing sector as well. There are total 15 Korean financial institute for Myanmar micro finance business, including Woori Bank, one of major bank in Korea, established Woori Myanmar Micro Finance since 2015. In insurance sector, DB Insurance and Kyobo Insurance also open

branch office and develop the future business chance for insurance sector in Myanmar.

In other industry sector, Korean MNEs also implement their business in Myanmar. In case of logistic sector, CJ Logistics, Hajin and Daewoo Logistics are operating their office in Myanmar as Korean MNE and they focus on the increase of trading logistic volume between Myanmar and Korea, and export logistic volume from Korean garment and textile company in Myanmar to western country. For food and entertainment sector, CJ CGV started the operation of movie theater by joint venture investment with local company, Shwe Taung Group since 2014. Lotte GRS started franchise business of fast food, Lotteria, since 2013 with local company – MYKO Co.,Ltd. Lotter Chilsung Beverage cooperate with local company, MGS Beverage, for soft drink retail business and distribute Pepsi product, such as Pepsi Cola, Mountain Dew, Mirinda and Gatorade, since 2014. Lotte Confectionery acquired local company, Myanmar's bakery firm L&M Mayson, for confectionery business in Myanmar in 2019.

According to DICA company registration data in 2020, there are more than 180 Korean companies including MNEs and small & medium enterprises, but there is no reliable statistical data for details yet. The type of Korean MNEs operating in Myanmar could be categorized below.

- Invested enterprise in Myanmar solely by Korean MNEs
- Invested enterprise in Myanmar by foreign company and Korean MNEs
- Invested enterprise in Myanmar by local company and Korean MNEs

3.2 Profile of Selected Companies

In this part, it is described that profiles of selected companies, as Korean MNEs operating in Myanmar, for the study. There are more than 180 Korean companies registered in DICA database, 2020, but it is difficult to define the type of each company, industry and business operation status due to limited quantitative information.

For statistical analysis and collection of sample data relating to HR outcomes & performance of local employee's characteristics in Korean MNEs operating in Myanmar, the study randomly selected mainly 18 Korean member companies from 30 members registered in Korea-Myanmar Business Research Society leading by KOTRA, Korea Trade Investment Promotion Agency as Korea government owned company, in Myanmar.

Eighteen selected Korean MNEs can be categorized under five industries: banking, manufacturing, energy and infrastructure, service, and government sectors. Altogether 473

operational and line managers are working at selected Korean MNEs. The highest number of line manager located in manufacturing industry, and the second highest number of line manager located in energy and infrastructure industry. Manufacturing, energy and infrastructure is capital intensive industry. Therefore, those kinds of industry require more employee who should operate the facility or construct the structure than other industry – service or banking.

Table (3.1) Profile of Selected Companies

Sr. No.	Industry	Korea MNE	Type	Line Manager Level		Respondents	
				No.	%	No.	%
Total				473	100.0	186	100.0
1	Banking	IBK Bank	Retail Service	25	5.3	19	
		KB Bank	Retail Service	15	3.2	5	2.7
		Shinhan Bank	Retail Service	20	4.2	15	8.1
2	Manufacturing	LS Cable	Cable	50	10.6	12	6.5
		LVMC Holdings	Automobile	60	12.7	20	10.8
		POSCO C&C	Steel Sheet	20	4.2	11	5.9
		POSCO Int'l Corp. (Rice Process Entity)	Rice Process	15	3.2	15	8.1
3	Energy & Infrastructure	POSCO Int'l Corp. (E&P Entity)	Explore & Production	85	18.0	18	9.7
		Hyundai Engineering & Construction	Construction	30	6.3	20	10.8
4	Service	POSCO Int'l Corp. (Hotel Entity)	Hotel & Tourism	50	10.6	13	7.0
		Daewoo Logistics	Logistics	10	2.1	9	4.8
		Hanjin Logistics	Logistics	5	1.1	3	1.6
		Samsung Electronics	Distribution	50	10.6	2	1.1
		POSCO Int'l Corp. (Trading Entity)	Trading	3	0.6	3	1.6
		Jipyong LLC	Legal	12	2.5	5	2.7
		MBRI	Consulting	5	1.1	3	1.6
5	Government	KOTRA	Service	12	2.5	9	4.8
		L&H company (Land & Housing)	Infrastructure	6	1.3	4	2.2

Source: Survey Data, 2022

The least number of line manager level located in government owned companies, such as KOTRA and L&H company. There are 18 line managers level employees in government owned companies among selected companies. Comparing with private companies, government owned companies are relatively less active to carrying out overseas business.

3.3 HRM Practices of Selected Companies

In order to check HRM practices of selected companies, online interview method was made with representative or senior level of Korean manager in selected companies. However, interviewees in most of Korean MNEs are reluctant to disclose their HRM practices because either HRM practices are considered as sensitive issues or there is no special policy of HRM practices in their organization.

Selection, training and development, compensation and career management shape HR practices. However, according to the result of online interview, most of Korean MNEs focus on recruit and selection process. They have certain criteria or requirement for employee selection who could work together in their companies, such as required job skill or job attitude, but there is limited information on other HR practices – training, development, compensation and career management. The study will review this issue in Chapter 4 & 5 how it impacts on HR management result on local employees in Korean MNEs operating in Myanmar.

3.3.1 Language Skill

It is found that most of Korean MNEs focus on fluent English language skill of local job applicant or local employee rather than Korean language skill. Because main working language in Korean MNEs operating in Myanmar is English, Korean MNEs focus on fluent English language skill for selection of employee. Especially, when Korean MNEs hire line manager level of employee, they tend to more focus on English language skill because line manager should coordinate between local employee and Korean expatriate in Korean MNEs. Some Korean MNEs are willing to provide higher salary level than job applicant with less fluent English language skill.

Some Korean MNEs, such as KOTRA, provide the favor to job applicant who can communicate with fluent Korean language skill because their employee's scope of work

include the cooperation with small and medium size of Korean enterprise who is willing to start the business in Myanmar and their employee may require the skill to organize the information not only from local but also from Korea for writing Myanmar marketing report.

3.3.2 Measures for Person-Job Fit, Attitude and Retention

It is found that Korean MNEs in manufacturing, energy and infrastructure industry require the person-job fit and they evaluate it based on job applicant or employee's educational specialty. In case of service industry, attitude to customer or sociality is one of important point for job applicant rather than educational specialty.

Furthermore, representative or senior level manager in Korean MNEs focus on retention rate of employee. Korean job market is more strict to move to another company than other countries, so it is strange to see the frequent job mover, and most of management in Korea consider that frequent job mover has maladjustment to organization.

Therefore, representative or senior level of Korean manager in Korean MNEs consider that job applicant with short-term working experience in several companies are not suitable to work in organization together. Korean MNEs prefer to work together with local employees on long-term basis, and it is stressful for them to repeat the recruit process by low retention rate of local employee. Due to this reason, some Korean MNEs review the resume of job applicant whether they have short-term working experience in several companies and do not tend to hire job applicant with short-term working experience in several companies.

3.3.3 Training

Level of training in Korean MNEs operating in Myanmar is different in each selected company. Even though most of Korean MNEs in Myanmar are conglomerate level in Korea and their business volume is high, they operate business in Myanmar relatively with limited human resource than their head office in Korea. Rather than structured and systemic program of training, level of training in Korean MNEs depends on experience, willingness and interest of Korean expatriate manager in Korean MNEs, and most of training is made by On Job Training (OJT) method.

Some Korean MNEs, POSCO International Corporation, operate on-line learning course for international employee, including local employee in Myanmar, relating to

management and job skill and language improvement program, but that kind of on-line learning course is standardized and provide general level of knowledge which may not fully satisfactory to local employee who is seeking more advanced or professionalized one. Furthermore, POSCO International Corporation (trading entity) select local employee who achieve high performance with potential capability and provide the working experience at head office for short-term, such as 3 to 6 months, and support the life cost during this training time.

Some Korean MNEs, Shinhan Bank, focus on employee training for attitude to customer. Employees in retail banking service tend to face the customer at line everyday, and Shinhan Bank consider that customer satisfaction by local employee is important to continue sustainable business in Myanmar.

3.3.4 Compensation

Compensation is different by type of industry and companies, and it is difficult to clearly find generalized level of Korean MNEs. According to interview, it is found that representative and senior manager in Korean MNEs consider that they provide higher rate of salary to local employee than local companies with 1.2 ~ 1.5 times higher.

General level of salary for freshman, with bachelor degree, entering into Korean MNEs range from 300,000 to 500,000 MMK and working experience with around 10 years get the salary level in range of 600,000 ~ 800,000 MMK. Some Korean MNEs, POSCO International Corporation (E&P entity) compensate for the salary in USD currency to local employee and it may be benefit to local employee in period of high fluctuation in MMK currency value.

In order to keep high retention rate of employee, some Korean MNEs adopt the differentiated policy for welfare condition, such as medical support, bonus, severance pay rate etc., which set up more benefit to long-term working employee than short-term working employee.

3.4 Profile of Respondents

In this part, the demographic profiles of respondents who is local employee working at Korean MNEs are described. Questionnaires are randomly distributed by online survey site to local employee at selected companies.

Table (3.2) Profile of Respondents

Sr. No.	Description		No. of Respondent	percent
	Total		186	100
1	Gender	Male	57	30.6
		Female	129	69.4
2	Age	18 ~ 24 years old	25	13.4
		25 ~ 34 years old	96	51.6
		35 ~ 44 years old	47	25.3
		45 ~ 54 years old	15	8.1
		Over 55 years old	3	1.6
3	Education	High School	1	0.5
		Diploma Degree	13	7.0
		Bachelor Degree	132	71.0
		Master Degree	40	21.5
		Higher than Master	0	0.0
4	Working Experience	Below 5 years	42	22.6
		5 ~ 10 years	77	41.4
		11 ~ 15 years	34	18.3
		16 ~ 20 years	19	10.2
		Over 20 years	14	7.5
5	Industry	Trading / Service	36	19.4
		Banking / Financing	39	21.0
		Manufacturing	60	32.3
		Energy / Construction	38	20.4
		Non-Profit or Government Owned	13	7.0

Source: Survey Data, 2022

Detail demographic information is demonstrated in detail in Table (3.2). It includes gender, age, working experience, educational level and industry for respondent. It is found that most representative characteristic of respondent is female in 25 ~ 34 years old with bachelor degree and 5~10 years working experience.

In respondent's education point of view, total 40 respondents with master degree participate in the research survey and most of respondents with master degree are female (32 out of 40 master degree holder) and the rate of respondents with master degree is the highest in banking and financing industry (14 out of 40 master degree holder) other than industry.

Respondents from banking and financing industry shows the highest rate of female (30 out of 39 respondents from banking and financing industry) other than industry, and respondents from construction company, Hyundai Engineering and Construction, consist of the highest rate of male employees (10 out of 20 respondents) other than companies.

3.5 Reliability Test

In this study, each factor includes different number of items, and each item is measured on six-point Likert scale. A scale consists of more than one item. Only when items within the scale are internally consistent, they can be reliable. Cronbach's alpha can be viewed as the expected correlation of two tests that measure the same construct. The reliability of scales is measured with Cronbach's alpha values, which can range from zero to one. Cronbach's alpha values near to zero indicate low reliability while the values close to one indicate high reliability. Although there is no cut-off value for how close to one is high reliability, it is commonly accepted, especially for academic purpose, that Cronbach's alpha value above 0.7 is acceptable.

Table (3.3) Calculated Cronbach's Alpha Values for AMO, HR Outcomes and Performance

Sr	Scale	Cronbach's Alpha	No. of Items
1	Ability	0.838	8
2	Intrinsic Motivation	0.765	4
3	Extrinsic Motivation	0.722	4
4	Opportunity	0.892	4
5	Employee Satisfaction	0.848	8
6	Employee Engagement	0.855	4
7	Employee Performance	0.904	12

Source: Survey Data, 2022

As presented in Table (3.3), it is found that the Cronbach's alpha values for all scales are higher than the cut-off value of 0.7, indicating high reliability and thus it can be expected that the scales used in this study will produce reliable data.

CHAPTER 4

ANALYSIS ON HR OUTCOMES AND PERFORMANCE OF LOCAL EMPLOYEES IN KOREAN MNEs OPERATING IN MYANMAR

This chapter presents analysis of influencing factors on HR outcomes and performance of local employees in Korean MNEs operating in Myanmar. The first part presents the descriptive analysis on AMO factors of local employees in Korean MNEs operating in Myanmar. In the second part, the analyses are conducted to examine the effect of AMO factors on HR outcomes and the effect of HR outcomes on performance of local employees in Korean MNEs operating in Myanmar.

4.1 AMO Factors

This section presents the descriptive analysis on ability and motivation of the employees and their perception on opportunity at work provided by Korean MNEs. The mean values and standard deviations of ability, motivation and opportunity factors are calculated based on the results of the survey on 186 local employees from eighteen Korean MNEs.

4.1.1 Ability Factor

Ability is one of the influencing factors on the HR outcomes of local employees in Korean MNEs operating in Myanmar. To analyze the influence of Ability on HR outcomes of local employees, structured questionnaire is used to collect information. This section analyzes the ability of local employees and measured with eight questions. The mean and standard deviation values are calculated and shown in Table (4.1).

According to the results in the Table (4.1), the mean value is over the neutral score of 3.5 which means that most of the respondents typically equip proper ability to do their job in Korean MNEs. Local employees in Korean MNEs perceive that their communication skill and learning ability on new skills and knowledge are well organized. It refers that local employees are confident and ready to learn new job duty.

Some of Ability with low mean value are relating to respondent's education or training in previous. Most of the respondents deny that they had chance to take proper ability to do job by education previously. It is because they mismatch their specialization

in education with current job duty. Moreover, the respondents acknowledge the gap between their educational knowledge and current job duty.

Table (4.1) Ability

Sr. No.	Ability	Mean	Std. Deviation
1	Matching between specialization in education and job	4.54	1.37
2	Having skills and knowledge to do job	5.06	0.91
3	Understanding on job	5.00	1.05
4	Time management skill to do job	4.95	0.93
5	Previous experience of training or education to do job	4.48	1.12
6	Logically explaining ability on required skills and knowledge to do job	4.97	0.82
7	Communication skill in English and Burmese	5.06	0.92
8	Learning ability on new skills and knowledge	5.26	0.77
Overall Mean		4.92	

Source: Survey Data, 2022

4.1.2 Motivation Factor

Motivation is one of the influencing factors on the HR outcomes of local employees in Korean MNEs. To analyze the influence of motivation on HR outcomes of local employees, structured questionnaire is used to collect information. This section analyzes the motivation of local employees and measured with eight questions. The mean and standard deviation values are calculated and shown in Table (4.2).

According to the results in the Table (4.2), the mean value is over the neutral score of 3.5 which means that most of the respondents are typically motivated well to do their job in Korean MNEs. Local employees in Korean MNEs perceive that they are motivated by intrinsic motivation more than by extrinsic motivation. It is because Myanmar is Buddhist nation in Asia, and local employees in Korean MNEs implicitly perceive the higher value of intrinsic matter than value of extrinsic matter.

In view of extrinsic motivation, local employees in Korean MNEs perceive that they are less motivated by salary, welfare or benefit but they importantly consider job security as extrinsic motivation. It refers that job market is competitive among employees or job

applicant, and local employees are concerned about the sustainability at Korean MNEs in Myanmar.

Table (4.2) Motivation

Sr. No.	Motivation	Mean	Std. Deviation
	Intrinsic Motivation	5.22	
1	Intrinsic motivation for developing career path	5.20	0.91
2	Intrinsic motivation for responsible manner	5.47	0.83
3	Intrinsic motivation for being professional	4.92	1.06
4	Intrinsic motivation for taking challengeable job	5.30	0.80
	Extrinsic Motivation	4.81	
1	Extrinsic motivation for salary level	4.27	1.20
2	Extrinsic motivation for welfare or benefit	4.73	1.14
3	Extrinsic motivation for job security	5.19	0.93
4	Extrinsic motivation for recognition by management	5.04	1.00
	Overall Mean	5.01	

Source: Survey Data, 2022

Furthermore, it is because Korean MNEs is relatively less burden to decide the close of business or entity, regardless of their business size or type, according to change of Myanmar economic and market status or low level of achieved business performance in Myanmar, so local employees in Korean MNEs empirically experience the importance of job security more than salary, welfare or benefit.

Sometimes, Korean MNEs are exposed to pressure from external environment or entity outside of Myanmar. External environment, such as business withdrawal request from international Non-Government Organization (NGO), may push Korean MNEs to withdraw their business from Myanmar when political or social issue, out of control by Korean MNEs, raise in Myanmar. In recent, Environmental, Social and Governance (ESG) is one of key issue for business management internationally, so Korean MNEs will be exposed to uncertainty more and more in the future relating to pressure from outside of Myanmar.

4.1.3 Opportunity Factor

Opportunity is one of the influencing factors on the HR outcomes of local employees in Korean MNEs. To analyze the influence of opportunity on HR outcomes of local employees, structured questionnaire is used to collect information. This section analyzes the motivation of local employees and measured with eight questions. The mean and standard deviation values are calculated and shown in Table (4.3).

According to the results in the Table (4.3), the mean value is over the neutral score of 3.5 which means that most of the respondents are satisfied with working condition and process in Korean MNEs. Local employees perceive that they are developing their career path in Korean MNEs by On Job Training method, such as reasonable working process and feedback from upper manager.

Table (4.3) Opportunity

Sr. No.	Opportunity	Mean	Std. Deviation
1	Comfort and safety in physical workplace	4.73	0.96
2	Reasonable working process	4.77	0.91
3	Cooperative workplace	5.31	0.83
4	Feedback from upper manager	4.97	1.01
5	Opportunity for job training	4.27	1.15
6	Opportunity for job rotation	4.19	1.22
7	Decision making process with fair and justice	4.51	1.07
8	Opportunity to develop career path	4.79	1.07
Overall Mean		4.69	0.78

Source: Survey Data, 2022

Most of respondents deny that there are enough opportunity to enlarge their job duty by job training or job rotation provided by Korean MNEs. It is because Korean MNEs in Myanmar operate their organization with limited human resource, as explained in Chapter 3 of this study, and it restrict to build well developed training program for local employees by Korean MNEs, so Korean MNEs focus on On Job Training (OJT) for local employees. Furthermore, it refers that the scope of work by local employees are limited in Korean MNEs, and local employees are carrying out same job duty long-term. In Korean MNEs, it

tends that scope of works clearly divide between Korean expatriate and local employees. Furthermore, representative or senior manager level in Korean MNEs are reluctant to rotate the job duty of local employees due to concerns about the risk caused by job rotation.

4.2 HR Outcomes

HR outcomes in terms of employee satisfaction and employee engagement are expected to have impact on their performance. It can be the important indicator for High Performance Work System (HPWS) in Korean MNEs. The mean values and standard deviations of employee satisfaction and employee engagement are presented in Table (4.5).

According to the results in the Table (4.5), the mean value of employee satisfaction and employee engagement over the neutral score of 3.5 which means that most of respondents are satisfied and engaged at working in Korean MNEs. Even though the mean value of employee satisfaction and employee engagement are almost same near the score of 5.0, employee satisfaction are more dispersed in each sub-item than in each sub-item of employee engagement.

Most of respondents are proud of doing their job in Korean MNEs. However, it is found that local employees in Korean MNEs slightly consider to move other companies and they are reluctant to strongly recommend their job to others. It is because local employees in Korean MNEs may seek more favorable working condition.

Table (4.4) HR Outcomes

Sr. No.	HR Outcomes	Mean	Std. Deviation
	Employee Satisfaction	4.94	
1	Proud of doing job	5.17	0.88
2	Happiness at intensely doing job	5.15	0.86
3	Recommendation of job to others	4.82	1.08
4	Retention at job	4.61	1.29
	Employee Engagement	5.01	
1	Immersed to job	5.04	0.93
2	Energized from job	4.93	0.92
3	Concentrated to job	4.85	0.96
4	Connected with job	4.99	0.93

Source: Survey Data, 2022

For more specific analysis, this study classifies the sub-item of employee satisfaction by each industry, and it is found that employees in banking industry mostly deny that they are happy and fully satisfied at work. Also, local employees in banking industry are reluctant to recommend their job to others. Because of the stressful working condition and burden with cash handling and directly serving customer at line day by day, employee satisfaction in banking industry may show the lowest score.

In case of retention at job, it is found that local employees in manufacturing industry strongly show their intention to move to another companies more than other industry. It is because there are more job opportunity in manufacturing industry than other industry and this lead them to consider to move to more favorable working condition.

As indicated, most of local employees in Korean MNEs are well engaged at work, and it is difficult to find any specific difference of sub-item in employee engagement. For more specific analysis, this study classify the sub-item of employee engagement by each industry and it is found that local employees in service industry are less engaged than other industry. It is because local employees in service industry may be required more general range of knowledge and scope of work from Korean MNEs than other industry.

Interestingly, it is found that local employees in energy and infrastructure industry are mostly not only well satisfied but also well engaged at work in Korean MNEs and their score are prominently higher than other industry. Generally, energy and infrastructure industry require more severe job requirement to either job applicant or employees with specialty, and they provide satisfied working condition and compensation at work. Furthermore, this kind of industry can be developed by certain big size of company because of requirement on both hugs capital expenditure and advanced technology, and they may provide more systematical working process, condition, compensation etc.

Furthermore, in energy and infrastructure industry, local employees may receive more clear and specific key performance indicator from their upper manager in Korean MNEs than other industry because they focus on tangible business and asset rather than intangible one.

4.3 Employee Performance

This section analyzes the employee performance in Korean MNEs and measured with twelve questions. The mean and standard deviation values are calculated and shown in Table (4.5).

According to the results in the Table (4.5), the mean value of performance over the neutral score of 3.5 which means that most of respondents achieve good performance in Korean MNEs. Respondents perceive that they are diligent at work, comply with company rule and regulation and improve their effort on job skill and knowledge. Local employee in Korean MNEs show performance relating to personally achievable things. Respondent deny that they contribute to company performance, increase cooperation and supporting to others at work. This result shows that local employees in Korean MNEs tend to prefer independent and individualistic working manner and they can achieve good performance on this kind of works at work.

Table (4.5) Employee Performance

Sr. No.	Employee Performance	Mean	Std. Deviation
	Task Performance	4.91	
1	Achievement of task goal	4.85	0.89
2	Contribution to company performance	4.79	1.03
3	Improvement of personal communication skill	4.98	0.95
4	Diligent attendance	5.03	1.10
	Contextual Performance	4.84	
1	Compliance on company rule and regulation	5.28	0.82
2	Increase of additional effort for company goal	5.12	0.87
3	Increase of cooperation and supporting at work	4.36	0.68
4	Suggestion of innovative idea	4.61	1.01
	Adaptability Performance	4.67	
1	Increase of personal job skill and knowledge	5.09	0.85
2	Management of mistake and error	4.10	1.10
3	Management of stress and uncertainty	4.81	0.89
4	Creation of new working method	4.70	0.95
	Overall Mean	4.81	

Source: Survey Data, 2022

It is found that local employees in Korean MNEs are not confident to manage the stress and uncertainty at work. Respondent are exposed to international working process or

unfamiliar working culture in Korea MNEs, so they may concern about unexpected case at work.

4.4 Analysis on The Effect of AMO Factors on HR Outcomes

For the analysis, the multiple linear regression model is conducted as an analyzing tool to explore the effect of Ability, Motivation and Opportunity factors on HR outcomes in terms of employee satisfaction and employee engagement based on the responses of 186 local employees from eighteen Korean MNEs operating in Myanmar.

4.4.1 The Effect of AMO Factors on Employee Satisfaction

To identify the effect of AMO factors on employee satisfaction, the mean value of employee satisfaction is regressed with the mean values of ability, intrinsic motivation, extrinsic motivation, and opportunity factors. The results of the analysis is presented in Table (4.6).

Table (4.6) The Effect of AMO Factors on Employee Satisfaction

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	0.908	0.402		2.260	0.025	
Ability	0.030	0.089	0.024	0.338	0.736	1.810
Intrinsic Motivation	0.252***	0.089	0.202	2.841	0.005	1.819
Extrinsic Motivation	- 0.101	0.064	-0.093	-1.584	0.115	1.234
Opportunity	0.650***	0.075	0.587	8.659	0.000	1.650
R	0.704					
R Square	0.496					
Adjusted R Square	0.485					
F Value	44.579***					
Durbin-Watson	2.039					

Source: Survey Data, 2022

Note: *** = Significant at 1% level, ** = Significant at 5% level, * = Significant at 10% level

As shown in Table (4.6), since the value of adjusted R-square is 0.496, it can be interpreted that 49.6 percent of the variation of employee satisfaction can be explained by the ability, intrinsic motivation, extrinsic motivation, and opportunity factors. The value of F-test, the overall significance of the model, which is highly significant at 1 percent level, confirms the validity of the specified model. Moreover, the value of Durbin-Watson is 2.039, which lies between the acceptable reference range 1.5 to 2.5.

Among AMO factors, the intrinsic motivation and opportunity factors have significant positive effect on employee satisfaction at 1 percent level. According to the results, intrinsic motivation significantly influences local employee satisfaction in Korean MNEs operating in Myanmar. There is positive effect of intrinsic motivation on employee satisfaction in which more intrinsically motivated employee is more satisfied at work in Korean MNEs. However, the result shows that extrinsic motivation cannot significantly influence employee satisfaction. Generally, more extrinsically motivated employee seeks better working condition, which provide higher salary etc., than current one and they tend not to be satisfied with their current status. Surprisingly, when the study simulates regression model with consolidated mean value of motivation (sum of intrinsic motivation value and extrinsic motivation value) as one of independent variable, the combined motivation does not significantly influence employee satisfaction. Therefore, AMO model shall clearly divide intrinsic motivation and extrinsic motivation for explaining local employee satisfaction in Korean MNEs. Otherwise, motivation may be considered insignificantly when explaining employee satisfaction.

Opportunity also significantly influences local employee satisfaction in Korean MNEs, and there is positive effect of opportunity on employee satisfaction. Regarding employee satisfaction, influencing power of opportunity is almost two times higher than intrinsic motivation's one based on comparing each standardized coefficients beta. This is because opportunity is provided by outside environment of employee and it more influences to set up the employee satisfaction than intrinsic motivation of employee, which shall be generally built by inside environment of employee. Therefore, in order to increase local employee satisfaction in Korean MNEs, it is more effective to focus on opportunity point of view than ability or motivation point of view.

Interestingly, ability does not significantly influence employee satisfaction in Korean MNEs, and it can be explained same as extrinsic motivation point of view. Employee with high ability may seek better working condition rather than current one, and it may lead their low level of satisfaction at current working condition.

According to the value standardized coefficient (β), the opportunity factors the largest effect on employee satisfaction followed by intrinsic motivation. It means that opportunity factors have more influencing power on employee satisfaction than intrinsic motivation of employees due to the reason that although employees are intrinsically motivated, they cannot be engaged well at work when company does not provide proper opportunity to employees.

4.4.2 The Effect of AMO Factors on Employee Engagement

To identify the effect of AMO factors on employee engagement, the mean value of employee engagement is regressed with the mean values of ability, intrinsic motivation, extrinsic motivation, and opportunity factors. The results of the analysis is presented in Table (4.7).

Table (4.7) The Effect of AMO Factors on Employee Engagement

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	0.712	0.361		1.974	0.050	
Ability	0.116	0.080	0.105	1.445	0.150	1.810
Intrinsic Motivation	0.288***	0.080	0.255	3.609	0.000	1.819
Extrinsic Motivation	0.003	0.057	0.003	0.044	0.965	1.234
Opportunity	0.459***	0.067	0.459	6.804	0.000	1.650
R	0.708					
R-Square	0.501					
Adjusted R Square	0.490					
F Value	45.508***					
Durbin-Watson	1.951					

Source: Survey Data, 2022

Note: *** = Significant at 1% level, ** = Significant at 5% level, * = Significant at 10% level

As shown in Table (4.7), since the value of adjusted R-square is 0.501, it can be

interpreted that 50.1 percent of the variation of employee satisfaction can be explained by the ability, intrinsic motivation, extrinsic motivation, and opportunity factors. The value of F-test, the overall significance of the model, which is highly significant at 1 percent level, confirms the validity of the specified model. Moreover, the value of Durbin-Watson is 1.951, which lies between the acceptable reference range 1.5 to 2.5.

Among AMO factors, the intrinsic motivation and opportunity factors have significant positive effect on employee engagement at 1 percent level. In regression result for employee engagement, the influencing power and significant level of intrinsic motivation increase higher than regression result for employee satisfaction. In case of ability, even the result still do not accept ability as significantly influencing factor on employee engagement, the level of significant and standardized coefficient beta of ability increase when explaining employee engagement than explaining employee satisfaction.

Intrinsic motivation significantly influences local employee engagement in Korean MNEs operating in Myanmar. There is positive effect of intrinsic motivation on employee engagement in which more intrinsically motivated employee is more engaged at work in Korean MNEs. Intrinsic motivation can stimulate employee's attitude, mind set positively toward their job duty, so it can lead the increase of employee engagement.

Opportunity also significantly influence local employee satisfaction in Korean MNEs, and there are positive effect of opportunity on employee engagement. Regarding employee engagement, influencing power of opportunity is still most strongly explaining factor to increase employee engagement same as employee satisfaction, but influencing power of opportunity on employee engagement decrease less than employee satisfaction. This is because employee engagement is more strongly shaped by internal mind set and attitude of employee at work than employee satisfaction, so the influencing power of intrinsic motivation increase for employee engagement more than for employee satisfaction.

According to the value standardized coefficient (β), the opportunity factors the largest effect on employee engagement followed by intrinsic motivation. This is because even though employees are intrinsically motivated, they can not be engaged well at work when company does not provide proper opportunity to employees.

4.5 Analysis on The Effect of HR Outcomes on Employee Performance

To identify the effect of HR outcomes on employee performance, the mean value of employee performance is regressed with the mean values of employee satisfaction and

employee engagement. The results of the analysis is presented in Table (4.8).

As shown in Table (4.8), since the value of adjusted R-square is 0.548, it can be interpreted that 54.8 percent of the variation of employee performance can be explained by employee satisfaction and employee engagement. The value of F-test, the overall significance of the model, which is highly significant at 1 percent level, confirms the validity of the specified model. Moreover, the value of Durbin-Watson is 1.783, which lies between the acceptable reference range 1.5 to 2.5.

Between employee satisfaction and employee engagement, the employee engagement has significant positive effect on employee performance at 1 percent level.

Table (4.8) The Effect of HR Outcomes on Employee Performance

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	1.738	0.214		8.123	0.000	
Employee Satisfaction	0.010	0.056	0.013	0.171	0.864	2.205
Employee Engagement	0.611***	0.062	0.731	9.904	0.000	2.205
R	0.740					
R Square	0.548					
Adjusted R Square	0.543					
F Value	110.926***					
Durbin-Watson	1.783					

Source: Survey Data, 2022

Note: *** = Significant at 1% level, ** = Significant at 5% level, * = Significant at 10% level

Surprisingly, employee satisfaction does not significantly influences employee satisfaction. Even employees are well satisfied at work, it may not lead the good performance by local employees in Korean MNEs. However, employee engagement is significantly explain the effect on employee performance in Korean MNEs and there are positive effect of employee engagement on employee performance.

As shown in section 4.4.2, employee engagement are significantly and positively

influenced by both intrinsic motivation and opportunity, so local employee and Korean MNEs who are seeking high performance should focus on those two important factors.

In conclusion, there are many factors influencing on HR outcomes and employee performance. In this study, Ability, Motivation and Opportunity are analyzed as the influencing factors, assuming as the determinants of HR outcomes and HR outcomes are analyzed as the influencing factors, as assuming as the determinants of employee performance. Local employees in Korean MNEs are satisfied and engaged at work when they are intrinsically motivated and opportunity is well organized. Additionally, local employee with highly engaged status can achieve employee performance rather than highly satisfied. Therefore, it can be seen HR characteristics and management result of local employees in Korean MNEs are significantly analyzed in this research study.

CHAPTER 5

CONCLUSION

This chapter explains about the findings and discussions which have been resulted from this research study. This also describes suggestions and recommendations and needs for the further research study of local employees in Korean MNEs operating in Myanmar.

5.1 Findings and Discussion

Since 2011, Myanmar has accelerated economic reform in order to attract foreign investment and many Korean companies also engage in Myanmar market for the future economic growth with country's demographical strength and rich natural resources. As a result, Korea places the fifth rank on the accumulated amount of foreign investment in Myanmar among overseas countries and many Korean MNEs are operating their business with local employee in Myanmar.

This study analyzes the influencing factors towards HR outcomes and performance of local employee in Korean MNEs operating in Myanmar and structured questionnaire are distributed to 186 local employees who are working in Korean MNEs. Both primary and secondary data are collected and analyzed using analytical research and online interview method. After this study, it is found that Opportunity feature is the most influencing factor on both employee satisfaction and engagement of local employee, and employee engagement is the most influencing factor on local employee performance in Korean MNEs operating in Myanmar.

Most of the research survey respondents are female in the age of 25 to 34 years old who has working experience of 5 to 10 years with bachelor degree. In respondent's education point of view, total 40 respondents with master degree participate in the research survey and most of respondents with master degree are female (32 out of 40 master degree holder) and work in banking and financing industry (14 out of 40 master degree holder).

Regarding ability factor, the respondents perceive that they generally have enough ability to work in Korean MNEs. However, the respondents deny that their specialty in education does well match with their job duty and they fully have previous experience of training or education to do job. Moreover, respondents perceive that they are well motivated by both intrinsically and extrinsically, and it is found that local employees in Korean MNEs consider job security is more important than salary or welfare condition relating to extrinsic

motivation. Opportunity factor has the lowest mean value among Ability, Motivation and Opportunity. It is found that local employees in Korean MNEs perceive that they are not fully provided the opportunity especially relating to job enlargement, such as the opportunity of job training and job rotation.

Regarding HR outcomes, employee engagement has the higher mean value than employee satisfaction. The respondents perceive that they are well satisfied and organized in Korean MNEs, but they deny that they fully recommend their job to others and intend to stay at current company.

Regarding employee performance, task performance has the highest mean value, followed by contextual and adaptive performances. The respondents perceive that they achieve well the performance, but respondents deny that they are fully achieve the adaptability performance.

For the first objectives, the study analyses the effect of AMO factors on HR outcomes in terms of employee satisfaction and employee engagement. Among Ability, Motivation and Opportunity factor, Opportunity mostly influences employee satisfaction and engagement because local employees can concentrate on their job at work when company provide comfort working condition, reasonable working process, constructive feedback from upper manager, opportunity to develop career path with them in Korean MNEs. However, local employees are relatively not fully satisfied with opportunity of job training and rotation in Korean MNEs because Korean MNEs focus on On Job Training (OJT) rather than well-organized training program and Korean MNEs are reluctant to job rotation of local employees.

Intrinsic motivation also influences employee satisfaction and engagement of local employee in Korean MNEs, but extrinsic motivation does not significantly influence on employee satisfaction and engagement in Korean MNEs. This is because intrinsic motivation drives local employee's voluntary working manner and mind set at work. Especially, intrinsic motivation influences employee engagement more strongly than employee satisfaction. It is found that job security and recognition from upper manager are more important to local employees in Korean MNEs than salary level or welfare condition.

Ability does not significantly influence either employee satisfaction or engagement by local employees in Korean MNEs. Local employees in Korean MNEs deny that their specialty in education fully match with their job duty.

For the second objectives, the study analyses the effect of HR outcomes on employee performance in terms of Task Performance, Conceptual Performance, and

Adaptability Performance. Employee engagement significantly influences performance of local employees, but employee satisfaction does not significantly influence the performance in Korean MNEs. It is found that local employees in Korean MNEs tend to prefer independent and individualistic working manner and they can achieve good performance on this kind of works at work, and they are exposed to concerns about mistake and error at work.

5.2 Suggestions and Recommendations

In order to achieve outstanding performance in Myanmar by Korean MNEs, it is important to build High Performance Working System (HPWS) for employee with systematical approach. For job applicant, who are willing to work at Korean MNEs, or local employee, who are currently working at Korean MNEs in Myanmar, it is important to systematically understand the characteristics of working environment of Korean MNEs for outstanding HR outcomes and performance as well.

For ability point of view, it is recommended that job applicant, local employees and Korean MNEs should focus on the matching between job applicant's or employee's specialty in education and job duty from the initial stage of selection process in order to increase ability factor.

For motivation point of view, it is suggested that Korean MNEs should focus on ensuring employees for the job security than salary or welfare condition relating to extrinsic motivation based on Korean MNEs' uncertainty on continuous business in Myanmar which may be influenced by outside and out of control business environment.

For increase of employee satisfaction and engagement of local employee at work, it is recommended that Korean MNEs should focus and build the system how they can improve the opportunity matters firstly. Especially, local employees in Korean MNEs are not fully satisfied with the job training opportunity and job rotation opportunity, so it is recommended that Korean MNEs improve their system of well organized job training, rather than On Job Training (OJT), and Korean MNEs should more actively take the policy for job rotation, which can provide more job enlargement opportunity to local employees, for increase of local employee satisfaction and engagement.

Intrinsic motivation is one of important factor to influence employee satisfaction and engagement as well, so it is recommended that Korean MNEs focus on intrinsic motivation factor when they proceed the selection process with local job applicant. Furthermore, after selection process, both Korean MNEs and local employees also consider

to build the system for improving intrinsic motivation for more satisfaction and engagement in Korean MNEs.

Furthermore, job recommendation to others and retention intention of local employees in Korean MNEs are relatively lower in employee satisfaction, especially by banking industry and manufacturing industry in Korean MNEs respectively, so both industries are recommended that they focus on improving those two matters in employee satisfaction point of view.

For performance increase of local employees in Korean MNEs, it is recommended that Korean MNEs should consider the way to improve local employee engagement, based on intrinsic motivation and opportunity factor, rather than employee satisfaction.

Finally, it is important that Korean MNEs should consider how to manage adaptability performance of local employees. Local employees are concerned about mistake or error caused by unexpected case or unfamiliar working culture at work, so Korean MNEs should find the work process and system how they can improve the management on uncertainty for increase of adaptability performance. Korean MNEs should improve the working system and environment in which local employee can increase their perception to contribute their effort to company performance as well.

5.3 Needs for Further Research

This study focuses on the influencing factors on HR outcomes, such as employee satisfaction and engagement, and employee performance towards local employees in Korean MNEs operating in Myanmar. Therefore, this will be useful for further study on local employees in Korean MNEs towards other HR outcomes, such as employee retention, presence, loyalty, trust etc. Besides, it will be useful for further study on local employees in Korean small and medium business company operating in Myanmar. If survey respondents extend to various size of Korean companies operating in Myanmar, the research study will be more reliable. This study uses AMO model to analyze. It will be better if the further research studies use other model for HRM and analyze from different perspective point of view.

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Appendix - A

Questionnaire for Survey (AMO Factor, HR Outcomes and Employee's Performance)

[General Information]

1. **Gender** Male Female
2. **Age**
- | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 18 ~ 24
Years Old | 25 ~ 34
Years old | 35 ~ 44
Years old | 45 ~ 54
Years old | Over 55
Years old |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
3. **Working Experience (including previous company and current company)**
- | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Below 5
years | 5 ~ 10
years | 11 ~ 15
years | 16 ~ 20
years | Over 20
years |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
4. **Education Level**
- | | | | | |
|--------------------------------|--|--------------------------|--|--------------------------|
| Diploma
Degree
(2 years) | Bachelor
Degree
(4 years or
more) | Master
Degree | Higher
Education
than Master
Degree | Other |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
5. **Working Field**
- | | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|---|--------------------------|
| Trading
/ Service | Banking
/ Finance | Manufacturing | Energy
/ Construction | Non Profit
or Government
organization | Others |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

1: Strongly Disagree/2: Disagree/3: Slightly Disagree/4: Slightly Agree/5: Agree/6: Strongly Agree

1. Ability Factor	1	2	3	4	5	6
<i>1) My specialization in education is closely matching with my current job</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>2) I have enough skills & knowledge to do my job duty at work</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>3) I have no difficulties to understand my job duty at work</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4) I can complete my job duty on time without any difficulties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) I got proper training or education to do my job duty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6) I can logically explain the required skills, knowledge and process for my job duty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7) I can communicate well with others in Burmese and English at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8) I can easily learn new skills & knowledge required at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2-1 Motivation (Intrinsic)	1	2	3	4	5	6
1) I have strong motivation to develop my career path at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) I do my duty with responsible manner at my work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) Being professional at work makes me more motivated than increased salary or promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) I am willing to do challengeable task at work, if it can develop my job skills & knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2-2 Motivation (Extrinsic)	1	2	3	4	5	6
1) Salary level is more crucial factor than personal career path at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Welfare or benefit condition is important factor to select the job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) Job security is important factor to select the job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Recognition and praise from upper manager drive me to do my job well at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Opportunity	1	2	3	4	5	6
1) I am satisfied with the level of comfort & safety in my physical workplace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Working process is reasonably and well organized at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) I can easily cooperate with my colleagues to do my job at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Manager at work properly gives me advice and feedback for my job duty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) There are enough opportunities for job training at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6) There are enough opportunities for job rotation at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7) Decision making process at work is fair and justice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8) <i>My work provides me many opportunities to develop my career path</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

4-1 HR Outcomes (Satisfaction)	1	2	3	4	5	6
<i>1) I am proud of doing my job duty at work</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>2) I feel happy when I am doing my job intensely at work</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>3) I can recommend my job to my family or friends</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>4) I have no plan to move to other company for a while</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4-2 HR Outcomes (Engagement)	1	2	3	4	5	6
<i>1) Time flies when I'm working</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>2) At my job, I feel strong and vigorous</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>3) I can continue working for very long periods at a time</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>4) I am very well connected with my job and company</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5-1 Employee Performance (Task)	1	2	3	4	5	6
<i>1) I achieved my task goal at job</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>2) I contributed to increase company performance (ex. sales increase, productivity, customer satisfaction etc.)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>3) I improved my communication skill more in recent</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>4) I have no "unscheduled absent" at my job</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5-2 Employee Performance (Contextual)	1	2	3	4	5	6
<i>1) I understand company rule & regulation and try to follow up</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>2) I increased my extra effort to complete organization goal</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>3) My cooperation & supporting level to others increase at work</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>4) I suggested many innovative & constructive ideas for company</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5-4 Employee Performance (Adaptive Capacity Increase)	1	2	3	4	5	6

<i>1) I improved my personal job skill & knowledge at work</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>2) I have no mistake or error at work</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>3) I can manage well work stress & uncertainty at work</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>4) I created new & innovative method to do my job at work in recent</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[END]

Appendix - B

Regression

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.704a	.496	.485	.62059	.496	44.579	4	181	.000	2.039

a. Predictors: (Constant), Opportunity, Motivation (Extrinsic), Ability, Motivation (Intrinsic)

b. Dependent Variable: Employee Satisfaction

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	68.674	4	17.168	44.579	.000 ^b
	Residual	69.708	181	.385		
	Total	138.382	185			

a. Dependent Variable: Employee Satisfaction

b. Predictors: (Constant), Opportunity, Motivation (Extrinsic), Ability, Motivation (Intrinsic)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.908	.402		2.260	.025		
	Ability	.030	.089	.024	.338	.736	.552	1.810
	Motivation (Intrinsic)	.252	.089	.202	2.841	.005	.550	1.819
	Motivation (Extrinsic)	-.101	.064	-.093	-1.584	.115	.810	1.234
	Opportunity	.650	.075	.587	8.659	.000	.606	1.650

a. Dependent Variable: Employee Satisfaction

Regression

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.708 ^a	.501	.490	.55736	.501	45.508	4	181	.000	1.951

a. Predictors: (Constant), Opportunity, Motivation (Extrinsic), Ability, Motivation (Intrinsic)

b. Dependent Variable: Employee Engagement

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.548	4	14.137	45.508	.000 ^b
	Residual	56.228	181	.311		
	Total	112.776	185			

a. Dependent Variable: Employee Engagement

b. Predictors: (Constant), Opportunity, Motivation (Extrinsic), Ability, Motivation (Intrinsic)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.712	.361		1.974	.050		
	Ability	.116	.080	.102	1.445	.150	.552	1.810
	Motivation (Intrinsic)	.288	.080	.255	3.609	.000	.550	1.819
	Motivation (Extrinsic)	.003	.057	.003	.044	.965	.810	1.234
	Opportunity	.459	.067	.459	6.804	.000	.606	1.650

a. Dependent Variable: Employee Engagement

Regression

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.740 ^a	.548	.543	.44099869 3789047	.548	110.926	2	183	.000	1.783

a. Predictors: (Constant), Employee Engagement, Employee Satisfaction

b. Dependent Variable: Employee Performance (Total)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.146	2	21.573	110.926	.000 ^b
	Residual	35.590	183	.194		
	Total	78.735	185			

a. Dependent Variable: Employee Performance (Total)

b. Predictors: (Constant), Employee Engagement, Employee Satisfaction

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.738	.214		8.123	.000		
	Employee Satisfaction	.010	.056	.013	.171	.864	.454	2.205
	Employee Engagement	.611	.062	.731	9.904	.000	.454	2.205

a. Dependent Variable: Employee Performance (Total)